# AN ANALYSIS AND SURVEY OF EXECUTIVE DEVELOPMENT IN AMERICAN BANKING INSTITUTIONS

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by

Roland J. Carr

Lieutenant Commander, U.S.N.

and

Robert B. McQuay

Lieutenant, United States Navy

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# AN ANALYSIS AND SURVEY OF EXECUTIVE DEVELOPMENT IN AMERICAN BANKING INSTITUTIONS

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Roland J. Carr

and

Robert B. McQuay

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## ABSTRACT

The crises of war and postwar periods have imposed heavy burdens on men in management positions; burdens which have become especially acute in the banking industry. The phenomenal increase in demands upon productive facilities and abilities since World War II has forced concentration of attention on methods by which the quantity and quality of bank management personnel can be increased and improved.

This study analyzes a number of executive development programs utilized by American banking institutions and the opinions and attitudes of bank executives toward executive development. A comparative analysis is made of the relative usage of the various executive development techniques and a model method is suggested for executives in developing future programs.

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## THEORY OF EXECUTIVE DEVELOPMENT

The subject of executive development is of great significance in America today -- significant not only for individual business enterprises but for the public welfare in the broadest sense of the term. President John F. Kennedy in a message to the Advanced Management Society[1] stated:

> Much of the Free World's success in using its human resources fully and with dignity can be laid to enlightened and progressive management. .....it is to managers who grow with the needs and resources of their times that we must continue to look for the new ideas and their implementation to meet the challenges of the future.

Private enterprise occupies a unique place in America. To an extent which is true in no other country in the world today, the social and economic welfare of the American people depends upon the wisdom and skill of those who direct the affairs of their private business organizations. Whether the tremendous tests of maintaining a viable economy and strong military posture are met, whether in the years ahead widespread industrial unemployment and deep agriculture distress

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[1]John F. Kennedy, "Message to the Advanced Management Society," Advanced Management, (September, 1963), p. 1.

again occur, whether the bitter years of the Great Depression are repeated, all depends not only on the quality of the country's political leadership, it depends to perhaps an even greater degree on the quality of its business leadership. Thus the manner in which the next generation of business leaders are prepared for their responsibilities is of prime concern not only for the business community but for the American people at large.[2]

The increasing ramification of new technology, new techniques, and new knowledge, the tempo of social and economic change, the need for new concepts of executive work and responsibility, the recognition that managing can and should be a professional kind of work, and the need for a philosophy of continuing education have all combined to spark off and nurture a burgeoning effort directed toward the education and development of managers.[3]

The executive development effort has been the result of pioneering work undertaken by the more farsighted leaders in industry, and in education. It finds itself expressed in a multitude of courses, seminars, workshops, and programs carried on by individual business concerns, by universities, by professional and trade associations, and by management consulting firms. In industry it takes many forms both on

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[2]J. C. Worthy, "Executive Personnel Development," Advanced Management, XVIII (February,1953), p.5.

[3]George C. Houston, "Manager Development," (Homewood, Illinois: Richard D. Irwin Inc., 1961), p. 19.

and off the job--specific courses, individual development, special trainee positions, job rotation, coaching, appraisal, prescribed reading, etc.--all of which are interrelated and each of which can fulfill a useful function.

Development of Management Thought

Early civilizations west of Mesopotamia and the writings of the Egyptians extending back to around 1200 B.C. indicate knowledge and use of organizing human efforts and of means for guiding political affairs. Likewise, the history of ancient Greece and that of the Roman Empire gives much evidence of managerial knowledge. In addition, throughout the history of Western civilization, the church has contributed to the knowledge of management by means of developing the concept of specialization--of a specialized management member of organizational relationships as well as clarification of the concept and the use of authority in managerial work.

Then in the eighteenth century the whole picture of industrial activity was enormously altered. During this period, The Industrial Revolution, the belief grew that improvements in management could be attained.

A number of men contributed to this movement. For example, Charles Babbage, a professor at Cambridge University in England, advocated as early as the first half of the nineteenth century that accurate data obtained from rigid investigation be utilized in the managing of an enterprise.

Frederick W. Taylor, in the latter half of the nineteenth

century contributed enormously to the fund of management knowledge. For the most part, Taylor and his followers emphasized the mechanical and physiological character of management, a view which was destined to be challenged as management thought developed.

Henri Fayol, a French contemporary of Taylor, also contributed significantly to management thought and development. Frequently referred to as a "traditionist", he was a vital management pioneeer in that he made universal generalizations about management based on his keen insight and practical management experience.

During the early 1930's, increasing stress was being given to the idea that people are the important consideration in management, that objectives are established and achieved with and through people. These considerations were stressed in the famous Hawthorne studies in the Hawthorne plant of Western Electric which are generally considered the classical initiation of a new development in management thought.

Receiving its impetus during World War II, another approach to management is represented by the use of mathematics or the emphasis given to the quantitative methods of analysis. These quantitative approaches take many different forms. For example, mathematical symbols and relationships, can be employed to represent basic relationships of factors bearing on a problem and to solve this problem in terms of selective objectives. In addition, the sampling theory of statistics

and the theory of probability can be used advantageously in reaching certain managerial decisions. Most quantitative methods have received impetus from the availibility of high-speed computers which manipulate data to a carefully prescribed sequence of steps.

Another broad classification of management thought is that characterized by concentration on the rational approach to decisions. The analysis of the decision making process, the persons involved in the decision, and the enviroment in which the decision must be made and applied constitute the true and meaningful essence of management according to this view.

Finally, the emphasis upon economic analysis and accounting represents another approach to the development of management thought. Here costs and revenues are stressed as major determinants in the decision reached.

Evolution of Development Programs

While training in functional knowledge and skills has been going on in industry for the last fifty years in the form of apprentice courses, accounting courses, sales training, etc., the advent of foremen's training and general supervisory training dates from the early twenties and the education and development of seasoned executives, as we know it today, is a development of the last twenty years.

Prior to World War II there was no general recognition of the need for planned, comprehensive ~~comphrensive~~, and continuing executive education and development. The idea of preparing

a man for supervisory or managerial responsibility before he was given the responsibility had not yet been generally recognized.[4] It was in the years following World War II that the more perceptive and progressive industrial firms began to realize that the survival and growth of the modern industrial enterprise in these changing times depends primarily on the knowledge, skill, and judgement of its managerial team. Consequently, it became apparent that the education and development of managers could no longer be left to chance, but must be put on an organized footing through a comp_rehensive, planned, and continuing program.

Some fifty years ago the pioneers of management training made a shocking discovery: managers and supervisors exhibited an almost antagonistic resistance to training.

Everything that has been done since has been influenced by this discovery. The bewildering array of techniques currently at hand is a result of a continuing effort to find some method that would render training palatable to managers. In a sense this has been the great tradegy of management development. For it has obscured the primary problems and caused attention to be focused on a symptom: training designed to appeal to the student too often fails to produce concrete managerial improvements.[5]

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[4] Houston, op. cit., p. 23.

[5] Willard E. Bennett, "Master Plan for Management Development," Harvard Business Review, (May-June,1956), p. 71.

Certainly there is disturbing evidence of both business concerns and educational institutions who are conducting programs without fully understanding the need, the function to be achieved, and the way to achieve them. There are too many packages, panaceas, and ill-conceived programs.[6]

In the nearly twenty years since World War II, formal executive training has come of age. In addition to numerous reasons including increased and constantly changing activity of executives, failure to employ people at lower levels or to promote people during depression and war years, and the mobility of executive personnel--another development which has focused attention on executive development is the systematic study of organization and the development of more systematic methods of analyzing jobs and personnel.[7] In many large companies, this has been indicated by the establishment of an organization planning department.

Not until as late as 1956 was an endeavor to put together the over-all theory which was beginning to emerge through the haze of conjecture, speculation and methodology.[8] Obviously, there can be no one plan of management development; every management structure has its own peculiar characteristics; and one organization's strength is anothers weakness. Yet, certain

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[6]Houston, op. cit., p. 7

[7]Thomas Q. Gilson, "The Achilles Heel of Management: Executive Development," Banking, (May, 1964), p. 48.

[8]Bennett, op. cit., p. 72

fundamental factors keep on coming to the surface in every situation. It appears that enough of a pattern has already developed to permit the establishment of a workable theory by which a sound plan of management development with predictable results can be fashioned to meet the needs of a particular company. The theory can be simply stated as follows:

Management development is a tripartite proposition consisting of three distinct but interrelated elements or phases: (1) selection; (2) instruction in the basic knowledge and theory (or what may be termed "intellectual conditioning"[9] and (3) supervised on-the-job training.

The kind of coordinated effort that this approach requires, contrasts sharply with present and past training programs. For eloquent proof, one has but to peruse the case studies of management development made by the American Management Association and the National Industrial Conference Board, which shows that only in the rarest instances are more than one of these three phases involved.

Understanding the full potential of each of these elements, as well as their limitations is paramount. From that point on, the construction of a sound plan of management development becomes a task of (a) striking a balance among the three elements in the light of the needs of the individuals who are to be trained, and (b) selecting, from the already ample

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9Bennett, op. cit., p. 73

supply, appropriate techniques for developing each element.

1. Selection. There is at the moment no known device for unerringly controlling the quality of men selected for management training. But fundamental to an effective plan of management development must be a system of selectivity that will mitigate, insofar as is possible, the probability of mistakes, at both the point of selection for initial entry into the management ranks and at each subsequent level of promotions thereafter. What are the tools and techniques which can be used to make selection decisions more accurate? Here is at least a partial listing:[10]

| | |
|---|---|
| Psychological tests (standardized and tailored) | Job rotation |
| Master promotion charts | Working internships |
| Management inventories | Performance reviews |
| Ratings (individual and group) | Assistant-to-positions |
| Appraisals | Practical judgement |
| Interviews | Promotion committees |

Also, the vicissitudes of individual likes and dislikes, at one extreme, and the arbitrariness of unquestioning dependence on psychological tests, at the other extreme, can both be avoided by the employment of practical judgement on the part of a committee made up of representation of the top two or three levels in the organization structure.[11] At the same time,

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10Bennett, op. cit., p. 74

11Ibid.

more weight can be put on the mental capacity and quality of character needed for the development of a professional attitude - something that is very difficult to guage.

2. Intellectual conditioning. Intellectual conditioning, or instruction in knowledge and theory was almost nonexistent 50 years ago. Particularly since World War II, upper management has been convinced that managers also need formal instruction in the purely intellectual facets of the profession. As a result, the principal form of effort in organized training has come to be academic in nature. In order to provide "intellectual conditioning" for business leadership - we need to identify some of the intellectual characteristics distinguishing the professional from the non-professional.[12]

The professional concept implies the observance of a code of ethics designed to guarantee a high level of moral conduct, integrity, and fair play. The practice of a profession requires the facility for seeing matters in their proper perspective; for comprehending the relative significance of facts and conditions and for reaching intelligent conclusions. Another characteristic of the professional is tolerance and objectivity. Professional people are not doctrinaire. They acquire the mental capacity to look on both sides of a problem, and the objectivity to appreciate the emotional reaction of

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[12]Bennett, op. cit., p. 75

each of several points of view.

Actually the range of possible methods to help the manager develop his perception and enhance his power of analysis and discrimination is quite large. Here is only a partial listing:[13]

| | |
|---|---|
| Socratic discussion | Indirect lecture |
| Lecture discussion | Films |
| Philosophical discussion | Dinner meetings with outside speakers |
| Guided or directed discussion | Outside lecturers for in-plant meetings |
| Conference leading | Sabbatical year |
| Role playing | Membership in trade associations |
| Progressive role playing | Membership in civic clubs |
| Socio-drama | Trade conventions |
| Case discussions | Night school |
| Handouts | Correspondence courses |
| Seminars and Institutes | Reading courses |
| Chart Lecture | Slap board lecture |

The important consideration, no matter the specific technique or method employed - regardless of resistance or criticism - the objective is to help the manager grow in intellectual stature, to broaden his grasp of the profession, and to sharpen and refine his application of knowledge to specific situations.

3. Supervised training. Now we come to the third element

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[13] Bennett, *op. cit.*, p. 76

in the theory - supervised - or on-the-job training. If any-one of the three elements described is more important than the others, this is it. Supervised training is the very core of all management development. Yet it is right here that management development so far has largely failed to achieve its purposes. No one can rightly say that business men and educators have overlooked this phase of development. Still, far too often, after months or even years of "programs", of one sort or another, the top executive can detect no noticeable improvement in the functioning of his management group. One important reason is that this phase of training has not been well supported by the other two phases. As for the techniques which can be used to make supervised training more effective, there is not the same profusion as in the case of selection or intellectual conditioning. Among the more prominent methods are:[14]

| | |
|---|---|
| Counseling | Understudies |
| Guided experience | Assistant-to-positions |
| Appraisals | Job rotation |
| Multiple Management | Crown prince |

Whatever methods or techniques are employed, the important consideration to keep in mind is that supervised training does by example what intellectual conditioning does by precept. It is this phase that sparks the implementation of all other training efforts. Unless proper emphasis is placed here, visible results of the entire training effort may

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[14]Bennett, op. cit., p. 77

be negligible.

Management Development Mistakes of the Past Decade

In the early days approach was piece-meal and limited. Management expected, for example, that an inventory and replacement program would soon provide them with fully qualified managers. But piece meal programs got limited results.

The second group of mistakes had to do with educational methods. The emphasis was on instruction in knowledge rather than on education and development of the all-round person. Consequently, results were limited.

Thirdly, top management assumed it could delegate the job by edict and that results would be forthcoming just as in production and sales. Top management too often failed to establish the climate, set the example and check the results. it often went further and called for operating results that contradicted developmental efforts.

Fourth, probably a large proportion of management development efforts were undertaken exclusively for the good of the company, despite the well-accepted principle that adult education has to start from the participants point of view; it has to be for him first.

Fifth, some management development specialists became "over-sophisticated" too fast. When instruction in new management knowledge offered under typical school conditions failed to get translated into operations on the job, the

management development specialists became protective and defensive and tended to say, "It can't be done. All that one can do," said the new sophisticate, "is to establish a climate and let the individual develop himself." This seems to be the current fad among a few, but it ignores the rich potential values of realistic adult education and development.

In today's climate of vast industrial growth and rapid change there is a constantly growing need for imaginative men who are capable of handling the many challenging aspects of the executive job. Few problems of business have stirred up as much interest, research, and speculation as have those of executive selection, training, and development.[15]

The field of management itself has grown more complex and specialized. Today, a Manager is expected to know something about such fields as operations research, linear programming, statistical quality control, synthetic standards, market research, psychological testing, and electronic data processing, to mention only a few.

At the same time, these new specialties have come over the horizon, organizations are demanding that their upper level Managers become generalists.[16] They are expected to integrate and coordinate the variety of tools and approaches with which they have become familiar.

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[15]Bennett, op. cit., p. 78

[16]Ibid.

Review of the Literature

A review of current literature, examination of data and observations contained in recent studies covering progress of executive development presently in effect in a number of leading companies, leads to the following general observations:

1. There is growing evidence that many organizations are developing a definite philosophy of executive development. While there are understandable differences in philosophy and objectives arising from variations in background, attitude, policies, requirements, and practices, there appears to be an emerging body of principles. In some cases, the philosophy is spelled out, published, and taught.[17]

In others, it is more of an informal code, but nevertheless understood and practiced. However, there is frequently a considerable disparity between stated objectives, crouched in broad general terms and complying long-range considerations, and actual practice geared to short range results. There is a natural tendency to emphasize the importance of immediate or short run changes in job performance rather than long range development and growth both intellectual and emotional.

2. There is wide divergence in both the comprehensiveness and continuity of executive development programs while the reported comments on the scope of these programs reveal tremendous opportunity for improvement in both comprehensiveness

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[17]Harold F. Smiddy. "General Electric's Philosophy and Approach for Manager Development," General Management, No. 174 (1955), p. 5.

and continuity of executive development programs while the reported comments on the scope of these programs reveal tremendous opportunity for improvement in both comprehensiveness and continuity, there is evidence of growing recognition of the need for more breadth and depth - for better integrated effort.

In some companies, there is a comprehensive, continuing plan for employee development from the day a new man enters the company and throughout his business career. In other cases, the effort is concentrated on specific levels of management - first-line supervision or middle management. Some enterprises, particularly banks, devote their major attention to the development of specially selected men of high potential - usually to prepare them for top management responsibility. Others appear to be satisfied with operating a series of miscellaneous courses designed to improve subject matter, knowledge and skills in areas where they recognize the need for greater competence.

3. These programs are generally work-centered. It is generally recognized that the major development takes place on the job. The major focus is on improvement on the present job regardless of the nature and extent of off-the job courses.

Individual counseling and coaching by the employee's immediate supervisor is widely advocated and practiced with varying degrees of effectiveness. Much concern is expressed as to the willingness and competence of many managers to undertake an effective job of counseling and coaching. In

some companies job rotation is standard practice at all levels of development. In others, it is used selectively in relation to individual needs.

Special assignments to meet individual needs such as participation in special studies, planning projects, task forces or staff work are also used frequently to provide broader knowledge and experience, opportunity to exhibit initiative, judgment, and creative ability or to develop insight and perspective.

4. There is a growing focus on individual self-development planning, based on the experience, abilities, interests and needs of the individual. In many companies, there is a formal program of periodic review and appraisal of manager performance to provide a basis for development planning and action. In some cases, individual self-appraisal is encouraged in preparation for the performance review and development planning conference with the immediate superior. In some companies, the major development effort is based entirely on individual approach, planning and coaching. In other companies, individual appraisal, development planning, and coaching is a continuing activity during all stages of executive development. In others, the progress takes the "shot-gun" approach at lower supervising levels (all men following the same program of training and instruction) with individualized treatment reserved for higher-level personnel.

5. Most of the programs studied offer a variety of off-the-job courses. Off-the-job courses may be operated by the company or by outside agencies and are designed to supplement on-the-job development by providing information and understanding of subject matter, techniques, and skills considered essential to individual development. Executive development programs, special courses, conferences, seminars, and workshops conducted by universities and other agencies fall in this category, and are widely used. In some cases those courses are required work for all participants; in other cases, participation is voluntary.

The real question here is whether or not these courses are properly integrated with the on-the-job program so as to form a meaningful aid useful over-all development pattern for the individual.

There is a noticeable tendency here toward a "bits-and pieces" approach in an effort to focus attention on areas of difficulty or to patch up the weak spots rather than to develop a well-conceived and integrated development plan or process.

6. There is wide variation in both content and method of instruction in company-operated courses.

The range of subject matter usually breaks down into the basic categories:

(1) Company information (objectives, policies, procedures, organization.)

(2) Management information and practices (principles of management and business organization, administration and financial practices, business relations, economics, decision making, training and developing, personnel.)

(3) Development of personal skills. (Written and oral communication, reading improvement, conference interviewing, performance appraisal, and review coaching.)

Educational methods vary widely with considerable difference of emphasis on the use of assigned reading, cases, lectures, formal and informal discussions, seminars, and workshops.

7. There is a noticeable lack of emphasis on fundamentals.

Too little organized attention seems to be directed toward developing a basic understanding of underlying philosophy, of theory and principle, of structure, process and relationship as these apply to business and the work of managing. Such understanding provides an essential foundation for the kind of managerial thinking, judgment, and action they seek to develop. Here again we see the pressure for short-range results as against the need to build a solid foundation for long-range growth.

8. In many cases there is a lack of appreciation of the time and effort required for effective education and development. This is largely due to inadequate understanding of the learning process. Education is a slow process.

It calls for both skillful planning and organization as well as intensive and sustained interest and effort. Under the tempo and pressures of business, there is a natural tendency to expect too much, too soon. What is needed is the judgment and discrimination to make those distinctions between short part-time courses and full-time study, and the courage to face the realities - rather than to waste time, effort, and money in half-measures.

Effective executive education and development effort calls for sound principles, effective planning, organizing and operation, a climate conducive to learning and growth, high standards of performance, and continuity of effort. Lip service, opportunism, half-measures, gimmicks, and propaganda will not produce the results.

The overall implication is that management should consider shifting its emphasis and philosophy from executive development per se toward the development of the total organization, more accurately toward the _process of increasing the health development of the total organization_.[18]

In short, since the total organization (the structure, the policies, and practices, the design of the jobs, the managerial controls, etc.) influence growth, the total organization should be modified if true development is to occur in individuals and in the organization.

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[18] Chris Argyris, "Organization Health and Executive Development," _Advanced Management_, (December, 1959), p. 9.

Most management development programs, no matter how well-intended and conceived, usually fail to achieve their main objective; namely, to increase individual effectiveness. When all segments of the program have been carried out, the actual changes in job performance are disappointingly few.[19]

The most effective development program is that which is directed toward the individual, his relationship with his superior, and the environment in which he is expected to perform and to make an increasing contribution.

[19] L. Reed Clark, "Managerial Development Through The Superior-Subordinate Relationship," Advanced Management, (October 1964), p. 71.

# CHAPTER II

## EXECUTIVE DEVELOPMENT IN BANKING

The banking industry of today plays a vital role in the American economic system. It serves business and industry, government, international institutions and individuals. It is an industry which has growth potential that is unparalleled due to expanding population and a growing need for credit and new bank services.[1] Banking today bears little resemblence to the banking industry of fifteen years ago. Increased and aggressive competition has motivated banks to provide more and better services for their customers; which in turn has brought about a need for more capable people to provide these services in an efficient and profitable manner. Modern business simply could not be carried on without banks and bankers. Every type and size of business, from the small retailer to the international manufacturing corporation, depends upon banks and bankers, not only for the obvious function of supplying cash to finance transactions, meet payrolls, and obtain supplies, but also for financial counsel covering the whole business enterprise. Should the firm

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[1]First Union National Bank of North Carolina, "First Union's Executive Training Program," Brochure for Prospective Trainees, p. 2.

extend credit to that new buyer in New York? How does one go about setting up a pension fund for employees? Does the general economic outlook make this a good time to consider expansion of manufacturing facilities? Is it wise to increase activities in the European Common Market? How do we go about selling stock to the public? Where can a small electronics company be located for sale? To answer questions like these, which are asked every day in some American bank, bankers have to be professionals where the worlds of business and finance are concerned. They must be well-trained and constant students of their craft if they are to measure up to the stature demanded of them by metropolitan commercial banking and its customers.[2]

In the banking industry executive development derives from four primary sources: the notion that bank management is a profession; growth in the number of executive jobs; the changing economic, political and social atmosphere; and some significant historical aspects. In the past, promotions occurred in an unplanned, uncoordinated manner. There was little or no formal performance evaluation, identification of desired skills and individual characteristics, or provision for the variety of experience needed to achieve success as a bank manager. The depression and war years culminated in the situation of executives being in the upper

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[2]Irving Trust Company of New York City, Irving Trust Company Career Program, Brochure for Prospective Trainees, p. 3.

age bracket nearing retirement and a tremendous shortage of qualified prospects to replace them.[3] In the next decade, bank employment is expected to rise almost 100 percent over the 1950-1960 period. In fact, banks now need some four thousand new officers every year, and now require over one thousand replacements annually for bank presidents alone.[4]

The industry is fully aware that the future strength of any bank depends upon its depth in management. Today banks are not run by one man, as was the case years ago. Instead they are operated by top management teams, backed by young executives who have been properly trained and are capable of developing and carrying out policies.[5]

It is rather unlikely that any type of industry has witnessed as rapid an advance in the field of management training in the last decade as has the business of banking. The very nature of banking itself, to begin with, has contributed much.

Since its beginnings, banking has been considered as a rather conservative type of organization. Its senior employees were ones usually who had many years of experience and worked themselves up to their present positions through the many preliminary operations of their bank. To work in a

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[3] Dr. L. J. Rago, "Executive Training Programs," Advanced Management, XXII, (December,1957), p. 23.

[4] U.S. Department of Labor, Bureau of Labor Statistics, LXXXVI, (March, 1963), p. 242.

[5] Mark Vorder Bruegge, "Three-Deep Executive Training," Banking, LIV, (October, 1961), p. 60.

bank held high prestige value to the young man, and the lure of more responsible positions motivated him to work assiduously from the outset of his career. Although many young men complained at what they argued were relatively lower wages in banking than in comparable industry, banks continued to attract exceptionally capable employees, both collegiate-trained and not.

Two things continued to operate to attract these people (1) the opportunities for advancement and (2) the relatively good fringe benefits that were available, especially the high degree of job security. As a result, a rather complacent attitude towards management and supervisory training developed among most banks. A sufficient flow of competent personnel was developed in the internal pipeline of the bank and high-grade new employees were attracted in the annual labor market.

One must remember, too, that the structure of banking a generation ago was decidedly different from that of today. There were few of the large city banks with a series of branches that now dominate the scene in many locations. Staffing of a smaller bank operating as a single unit with comparatively close personal contact between all levels of employees reduced the load thrown upon systematized managerial relationships. The general practice then, was for most banks to use substantially the same managerial tools and techniques that had been employed when the bank first began operations and to feel that "what was good then, ought to be satisfactory today".

## Disruption of Managerial Tradition

What, then, were the results of this rather complacent policy? The situation was complicated because of the depression of the '30s and the rather severe shock that permeated the banking structure during the early days of that depression. But, let us examine the nature of bank management at that time. Unusually able young men were finding great difficulties securing employment during the depressed years, and many were attracted to banking in lieu of other occupations, not because of the wages paid by banks but rather because of the promotion opportunities offered. In addition, the quest for security loomed as one of the most significant job characteristics at that time, and so the relatively high degree of job security common in banking stood out as an important countervailing force.

Meanwhile, what was happening to the already-employed young men in banking -- those who were hoping to advance into the various managerial levels? Since few banks offered any comprehensive program of self-development, managerial development or training of any type aside from particular job training, there was little direct pressure on many of these employees to improve themselves. One might argue that a seriously inclined employee should seek out his own sources for self-improvement, but this is too idealistic in modern society where there are so many diverting attractions that

consume much of one's leisure time. Some sort of directed guidance towards self-help becomes essential.

But, in the absence of such assistance, many of the employees with a decade or more of service could show little if any illustrations of improved potentiality for greater managerial responsibilities. The nature of the smaller and more simplified banking structure, in addition, clouded some of the issue.

## Impetus for Change in Tradition

Since there always were some junior employees and assistants who did exhibit managerial talents and tried to improve upon them, there generally was a sufficient flow of competent personnel to fill the managerial gaps. In the smaller bank, there were few such vacancies, most of them resulting from deaths, seldom from the departure of a key officer to another organization or from the expansion of the parent bank through a merger. This situation contributed further towards the complacent attitude about managerial development per se.

The absence of internal pressure towards self-improvement and the limited opportunities for promotion added to the somewhat passive attitude of many employees who might have had a great potential when first hired. The slow pace of advancement and the rather complacent attitude in general added to the over-all frustration of many junior employees and nipped in the bud many of their ambitions. A sort of

"what's-the-use" attitude tended to prevail.

Add to this the comparative ease with which banks could drain off much of the cream from the labor market during the '30s. Many of these depression-trained young employees also came to the banks with great promise, and ambition, too. The effect on the existing labor group often created animosities. Some of the earlier workers felt that this group was destined to eliminate the chances for better jobs because some of them had rather substantial collegiate backgrounds. Although one might expect that the older group might accept the challenge through internal improvement, this was rarely the case. So, the complacent attitude had developed complications.

Middle-Management Scarcity - WW II. Repercussions

What is more, the situation seemed contagious. Instead of the depression-hired employees leading the way, they tended to fall in line with the existing slower pace and calm attitude of doing little by way of executive improvement.

Top banking management is to be adversely criticized for this lack of foresight. By this time, industry in general had made rather rapid strides in the fields of scientific management and improved training. There was much that could have been carried over into banking. Fortunately, so far as bankers were concerned, there was no problem inflicted by actual or potential union organization and pressure. (It might be added that the pressures exerted by unions in certain industries have been the direct impetus for complete revamping

and improvement in management.) Banking, along with all economic activity, suddenly was confronted with catastrophic changes because of World War II.

The failure to train effective middle-management personnel during the '20s and '30s began to have some repercussions during these war years. The problem was complicated by the fluidity of the labor force and the departure of some highly valued employees into military service. Gaps in the managerial personnel ranks -- especially junior officers of banks and middle management -- became more and more evident. There was little that banking could do by way of crash training programs, such as were adopted in many industries. The earlier experience with training in banks was limited, and it is doubtful, too, whether an awareness of the how of such programs was present.

Post-War Reduction of Problem

After the war was over, the full force of the problem came to be realized by bank management. The very nature and characteristics of banking were undergoing change. The competition for the superior college graduate was keen and the lower bank salaries were not compensated by the fringe benefits.[6] These new potentials in the labor market were finding multiple job opportunities, many of which also offered good fringe benefits. Banks were being squeezed.

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[6] Frank S. Endicott, "College Men in Banking," Banking, LIV, (February , 1962), p. 46-48.

Not only were they finding new difficulties in current hiring, but they were beginning to realize the inadequacies of many of their present employees, especially when it came to consideration for advancement into areas of greater responsibility. The 1920s group had lost much of its ambition and had done comparatively little to improve itself; the '30s group, hired as a great potential, had grown complacent too; subsequent employees had been overlooked in the confusion of the war years.

At about the same time, the demands for competent executives in banks began to expand rapidly. The normal course of economic growth in the nation added yet another burden on bank management -- the movement toward intra-bank mergers. Principal city offices merged; main offices opened up many branches; combinations of many types were effected. The demands and drains on management are quite different when a bank president is able to supervise all of the operations as contrasted to a situation where he has a dozen or so branches under his wing -- some branches almost as large as the principal office during the '20s or '30s.

To build up an efficient managerial staff to counsel the president of the new structure became a most difficult task. The employees of the '20s and '30s who should have been well enough trained to act as a staff and assume high-level managerial positions were found inadequate in many cases. Resort to the use of newly-hired, but ambitious and competent young

employees, often created many internal personnel relations problems. Banks were forced to go to the outside in many instances for adequate staffing. Not only were personnel from other banks utilized, but also outsiders from industry often were hired. This was especially true in the service areas, such as personnel, public relations, and training.

Development Programs Hit Stumbling Block

Bank management finally came to realize the importance of adequate management development programs on a compulsory basis or at least a directed type rather than to throw the entire burden on the individual. On a crash basis to fill the gaps, numerous ideas were followed, with various degrees of failure and success. Outside agencies often were utilized where the bank felt that it was too small to institute a program of its own for executive development. The larger banks began to institute various types of training programs.

Resentment soon developed among existing employees. When a new crop of employees was placed in the training program, existing employees with a decade or more of service began to feel that this ended their opportunities for advancement. Indeed, in many cases this was the intended result. But, to keep the morale of the entire labor group from suffering, many of the programs were set up so that an existing employee could himself ask to join the training program just as were the newly-hired personnel. Few availed themselves of this opportunity since they felt disinclined to spend several years

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learning the operations that they felt were well within the scope of their competence.

This reluctance to accept a self-advancement opportunity gave the bank top management a good type of screening. It should not be implied that these people are incompetent; merely that they are happy doing their current work within a given limited scope of responsibilities and are not interested in attempting to move out into the sphere of greater responsibilities. These people are essential to the continued functioning of the bank and it is an aid to personnel management to be able to segregate those who are in a present job only as a step towards further advancement and those who consider their present position as a sort of terminal one and who exert every effort to do the best possible in this task.

Minimizing Training Costs

Banks have made rapid strides in the last few years by way of compensating for their former lack of training programs, aside from specific technical on-the-job training. Many have elaborate training programs and departments. Those are expensive operations, and leave the smaller banks somewhat at a disadvantage. It has been suggested that for these a type of city central training program be instituted.[7] This would mean that several of the smaller banks in a given area might

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[7]Reuben E. Slesinger, "Executive Development in Banking," Advanced Management, XXVI, (June, 1961), p. 20.

support a training program that would inure to the benefit of the entire group. There are many universal principles of executive development that could be handled in such a group without making the program too general. The interchange of ideas among the personnel attending such a program is another factor to commend such an approach.

Unionization

There is an important collateral consideration that appears more significantly on the horizon today in connection with the entire problem of bank personnel. This is the possibility of unionism in banks. Banking stands out today as one of the most important industries in which unions have had little success, and where they have had the success it has been among limited groups of employees. It is important to ask why this has been the case. The most important reason for the general absence of unionism in banks has been the fact that many bank employees for long have not considered themselves as laborers per se; they look upon their present job only as a stepping stone towards advancement into the managerial ranks.

Thus, they are not interested in the problems of "production" workers since they feel that these would have only a temporary interest for them. Their concern is with getting into the managerial ranks. Therefore, if anything happens in banking that will stymie or remove the possibility of employees moving into supervisory positions, the hands of union organizers will be strengthened.

In this connection, unions will find female employees a more promising field for organization. Since the turnover among female employees may average out to a tenure of work of less than two years, such employees will tend to have greater interest in direct bread-and-butter advantages and be less motivated by the security and other long-run advantages of bank employment. Also, banks must be careful in their trips to the outside to fill managerial gaps lest such practices also discourage current employees and turn their interests towards unions out of an antagonism towards management.

Middle Management Not Threatened by Automation

The rapid strides towards automation in banks also complicate the program of executive development. The think-in this area is not clear today. There are some who argue that automation will reduce the number of middle-management positions, will make the demands on top management greater; and will reduce the skills of the mass of employees, many of whom presently are aspiring to positions of increased responsibility. If such is the case, a new philosophy towards newer and younger bank employees must be developed. If their opportunities are stifled, more unionization in banking will follow. There is a second school of thinking that feels that automation will not reduce the requirements for middle management but will only give it greater and more effective tools with which to operate. Because of the nature of banking, the

writers hold with this second school as more descriptive of banking.

There are many types of personal services that bankers render that cannot be automated. The automatic equipment certainly can furnish these officers with more information, faster information, and better-organized information so that they can perform their tasks more effectively. It does not seem likely that the automatic equipment will replace the bank junior officer group. It might have the effect, however, of introducing a greater number of routine workers into banking who, in turn, might be easily swayed to union organization since they would preponderantly tend to have little or no ambitions to advance into managerial positions.

Executives in every field of endeavor realize that continued progress is dependent upon the ability of their companies to attract capable young personnel with which to replace those who will retire within the next ten to fifteen years. Banks in particular are putting a great deal of stress on developing young executive talent today. In order to fill middle management voids and to preclude recurrence in the future, progressive banks are today aggressively seeking basically qualified young personnel. When a customer establishes a bank trust, he does so because he believes in the reliability of the institution with which he places the trust; and because he believes in the competence of the officers who will be assigned to service and administer the trust. The

customer has reason for the faith he shows today because he can inquire into the reputation of the institution, and he can meet and judge its officers. On the other hand, he cannot determine the caliber of officer that may be administering his trust five, ten or twenty years from today. He must have faith that the bank he selects will recognize its obligation to develop competent future management; and it is mandatory that present bank management is aware of this obligation and that it meets this obligation in a realistic manner.

It is commonplace for banks, like other businesses, to project the growth and nature of their activities. Planning for the staffing needs appears to be largely limited to three activities.[8] These activities are not coordinated or comprehensive. This means that they are seldom systematic and usually inaffective. They are conducted on the basis of a wish and a prayer, and the results are usually disappointing.

The first of these activities is the recruiting of college graduates. The hope is that enough will stay and show the abilities needed to fill the needs of future vacancies. Orientation, training, and development are usually sporadic and related to particular jobs that happen to be open. Large number of trainees are lost to other banks or to other fields of endeavor. If some of those who remain , happen to meet

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[8]Thomas Q. Gilson, "The Achilles Heel of Management: Executive Development," Banking, LVI, (May, 1964), pp. 47-48, 134.

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future needs, it is more luck than systematic planning and development.

The second activity consists of recruiting management personnel for jobs which have been vacated without adequate replacements being available. These are attempts to capitalize on development which has occurred in other banks or even in businesses. Often it is a case of the grass looking greener on the other side of the fence. Here also the hope is often disappointing and the motivation of people within the organization is injured in the bargain.

The third activity consists of the great variety of in-service training, which is provided both within the organization and sponsored on the outside. Even with the large variety of high quality programs, which are available, the results here are disappointing also. The main reasons for this are the failure of the programs to meet the needs of the individuals and the lack of motivation of the individuals. These are usually not the fault of the programs, but the failure to integrate them into a meaningful and integrated plan for individual and organizational development.

Arygris reports in a case study[9] of executives and human relations in an eastern bank that there is a "right type" individual found predominant among managers and employees in the banking industry. Such individuals were characterized as

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[9] Chris Arygris, "Human Relations in a Bank," Harvard Business Review, XXXII (September-October 1954), pp. 63-72.

being quiet, passive, obedient, cautious and careful. It was further inferred from this research that an employee of the "right type" apparently has (a) strong desire for security, stability, and predictability in his life; (b) a strong desire to be left alone and to work in relative isolation; and (c) a dislike of aggressiveness and/or hostility in himself or in others.

Arygris also found that there was a self-selection to the extent that people of the above type gravitated to banking, were hired, remained, and were promoted, so that the bank employee population became "homogenized".

In a study[10] reported in 1958, McMurray reaffirms these findings. He posited a functional relationship between the structured, routinized, character of banking operations and organization, and the personality configurations of most bank employees. Typically, banking offers security, slow advanement, limited opportunity for initiative and responsibility, and an emphasis upon job stability rather than high economic rewards. Such conditions and attending recruitment policies were thought not/by McMurray to attract persons with high dependency needs. Such selection criteria proves disfunctional since such employees do not meet the organizational needs of management succession

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[10] Robert N. McMurray, "Recruitment, Dependency, and Morale in the Banking Industry," Administrative Service Quarterly, (June, 1958), pp. 87-117.

on a promotion-from-within basis.

Litzinger of Arizona State College in 1962 conducted a study[11] of Branch Bank Managers in California as opposed to Arygis research into the more restricted eastern bank organization.

He found the emphasis of branch banking in California resulted in decentralization of physical and managerial resources; although not all banks follow a policy of decentralization of management authority. This led Litzinger to ask: "Does the branch bank manager position under a policy of centralized control require individuals of a different "type" than that found necessary in a decentralized environment?" On balance, this study tended to support Argyris' conclusions that a "right type" individual is to be found in centralized banking. However, a new prototype may be emerging in the decentralized branch bank operations in California with attributes similar to those found in other "entrepreneurial" positions. It was hypothesized by Litzinger that this managerial entrepreneur would place higher values on independence, leadership, and recognition and lower values on support, conformity, and benevolence; be significantly higher in "goal attainment, orientation" (structure) and significantly lower in emphathy (consideration); and show a significant preference for intermediate risk choices rather than low or high choices.

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[11]William D. Litzinger, "Entrepreneurial Prototype in Bank Management," Academy of Management, VI, (March, 1963), pp. 36-45.

It would appear that, rather than a clear cut delineation of two distinct types on a categorical basis, those in branch banking may best be classified along a contiuum with the "right type" at one end, an "entrepreneurial" type at the other, and gradations along this scale in between.

Litzinger does state that the failure of his study to note two completely separate types of unit managers may be partly due to self-selection and that it may be that a mixture of "types" is required in banking; whether it is a centralized or decentralized operation.

In a study conducted in November-December 1961 under the direction of Dr. Endicott, Director of Placement, Northwestern University,[12] a total of 235 banks responded to a survey made to determine the extent to which banks are engaging in the selection, training, and promotion of beginning men graduating from colleges and universities.

It is interesting to note that 70% of the presidents and 50% of the vice-presidents of the reporting banks have college degrees. About 9% of the total personnel employed by these banks graduated from college. There is reason to believe that the percentage of officers with college degrees is increasing. 80% of the larger banks (over $400 million deposits) plan on contacting college graduates each year, whereas only 33% of

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[12] Frank S. Endicott, "College Men in Banking," Banking, LIV, (February, 1962), pp. 46-48, 120-122.

banks with deposits less than 200 million plan to do so. In general, larger banks are following practices very similar to those of larger corporations in recruiting, training, and promoting graduates. Very few small banks have developed a planned recruiting program. Most graduates with Masters of Science in Business Administration (M.B.A.) are in larger banks.

Starting Salaries. Compared with salaries offered by corporations which regularly recruit on college campuses, starting salaries for beginning college men in smaller banks are low. Very large banks offer starting salaries which compare favorably with salaries offered by large companies. The study shows the larger banks (greater than $200 million), in 1962, offered $404 per month to college graduates. A report by more than 100 large and medium-sized corporations indicated that graduates with similar backgrounds were offered about $425 per month as a company average.

Only 45 banks reported that beginning Master of Business Administration graduates were employed in 1961. Fifty-nine banks, however, plan to hire M.B.A. men in 1962. Compared with salaries offered to M.B.A. graduates by larger companies, those paid by banks are low. These companies paid, on the average, about $550 per month for inexperienced graduates with master's degree in non-technical fields. Banks which employed M.B.A.'s paid about $60 more ($464) on the average than they offered bachelor degree men.

Keeping College Men. Banks which responded to the inquiries were asked to indicate the number of college men hired five and ten years ago and the number of these men still employed in the bank. Five years ago, these banks hired a total of 889 beginning college men, and 60% of them are still employed. Of those hired 10 years ago, 49% are still employed. Reports from larger companies which employ college graduates indicate that there losses are about the same (5 years - 64%).

In banks, as well as in other types of industry, most losses occur during the first two years.

In general, college graduates leave banks for about the same reasons reported by other types of industry; namely, more money, greater opportunity for advancement, and because of lack of interest in the work. Reasons relating to salary and advancement were listed somewhat more often by banks then by typical companies which hire college graduates.

In order to meet these problems, banks suggest that salaries should be higher and advancement more rapid. They also stress the importance of a well-planned, stimulating training program with interesting and challenging assignments, and close personal attention to each trainee.

Banks also report that graduates are not aware of the opportunities in banking and that there are many misconceptions in their minds regarding banking as a career. The need for a greater effort by banks to acquaint students with the banking industry is apparent.

Summary

The burdens that are thrown on the training program of banks today, thus, become doubly significant. Not only must they serve to meet training needs but they must operate as well as a technique by means of which banks strengthen their traditional philosophy of extending the opportunity for advancement and promotion as a fringe benefit of employment.

To almost all banking personnel, movement into the field of executive training and development is charting an almost new and unlimited as well as challenging frontier. The underlying validity of this newer emphasis on training in this area is supported by the number of banks that have gone into this service field and have utilized specialists both on their internal staffs and as outside consultants.

Banking no longer can be listed as one of the rather static sectors of the economic environment; on the contrary, its rate of growth and dynamic character are above the national average and expectations are for a rapid and continued growth during the present decade.

Adequate executive training in banks is important, too, not only from the viewpoint of providing better management for the bank itself, but also as a facet of public service. If bank management is better equipped, it will be in a more advantageous position to exert leadership in the community and to help render effective advice in the many realms of business and finance.

# CHAPTER III

## BANK TRAINING PROGRAMS AND TECHNIQUES

The previous chapter discussed some of the historical aspects of executive development in the banking industry, the type of individuals attracted to banks, and the importance of a coordinated, comprehensive, and continuous training program. Now, attention must be directed to an analysis of specific programs used by progressive banks. It is a foregone conclusion that bank management must devise effective programs if they intend to reach their executive development objectives.

One of the principal concerns of Carl Bimson as a banker and as a leader of bankers is the matter of management training. As President of Valley National Bank of Phoenix, Arizona, he stated:[1]

> Since 1950 we have enrolled 169 men whom we felt had some potential. Turnover in this group has been quite low, with over 70% of them still with us - of whom 98 are now on-the-job and 28 still in training. These men have all had some university work and come from 17 different institutions in various parts of the U.S.

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[1] Carl Bimson, "Meet President Bimson," Banking, LIII, October, 1960), p. 138.

> From this group we have obtained eight assistant vice-presidents; eleven branch managers; thirty assistant managers, and eight pro-managers. There is an assortment of assistant cashiers, trust officers, loan officers, and new business representatives, and all of these men are either officers or on their way.

Planning Requirements

To meet all known needs, management must do the original planning and organizing, although eventually the trainees themselves should be able to assume parts of these functions as their needs become clearer to them. The experiences most effective for executive development must be determined, and the trainees must be sure to get these experiences. The whole business of management development should not be regarded as a program. Rather, it is a continuous thing which must become part of the spirit of an organization,[2] oriented toward its goals, methods, policies and needs; and planning must be fairly long range in order to insure that training goals remain consistent and integrated.[3]

The question naturally arises, how can these activities be made more effective? Several additions to the planning are called for. These will require substantial investments of time, effort, and top management comparable to that devoted to other aspects of long range planning. They should involve the board of directors, the president, and all of those in

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[2] William Hart, "Management Development is not Just A Program," Advanced Management, XXIV, (April, 1959), pp. 9-10.

[3] Edward N. Hay, "Your Boss is Your Training Director," Personnel Journal, XXXV, No. 6 (November, 1956), p. 221.

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the vice-presidential level on an active role rather than merely on an approval basis. That is, the top management should be actively engaged in devising and evaluating plans and in carrying them out. Experience has demonstrated that line management from top to bottom only, as opposed to any training staff, can provide the climate for professional growth.[4]

Specifically, the first requisite of an effective executive development program is an audit of the potential and development needs of present managers. This should be combined with projections of the future organization structure and plans for staffing it, including replacement and development in the future. Only if the management does this will the picture of both the individual and organizational needs be relevant, accurate, and realistic for the future.

Included in these projections should be flexible but specific plans for the future structure of the organization. Descriptions of the duties and responsibilities which are anticipated for the positions called for come next. (In many banks, present jobs are not completely covered by descriptions and these must, of course, be covered before future changes and additions are considered.) Third, from these job descriptions, the requirements for the persons who will fill those jobs must be developed. These three kinds of

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[4] R.M. Sheehan, "Developing Professional Personnel," <u>Advanced Management</u>, XXIV, (May, 1959), p. 19.

data show the needs of organization.

Along with these structural plans, it is necessary to develop personnel plans which can be matched with the organization. The first step in this is an audit of present personnel. This will include an appraisal of performances on the present jobs, assessment of future potential, indications of weaknesses, and gaps in the present personnel. Following this it is necessary to develop the plans for the replacement of each person in the present structure. Whereever possible, this will include more than one candidate.

Planning for Development

The future organization charts, job descriptions, and man requirements matched against the audit and appraisal of personnel with the resultant replacement charts are the prerequisites for the effective planning of executive development. It is in the process of developing and continually modifying these tools and their application of joint planning with each individual executive and potential executive that the top management, including the board of directors, should be directly involved. Some of the details can certainly be delegated, but over-all plans, policies, judgments, and counseling need to be pushed to high levels than those where they are usually developed and implemented.

Program Execution

To have maximum impact, the program length must be suited to the course content; and the instructor must have a thorough

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knowledge of the topic, be familiar with the instruction techniques to be used, and have a desire to teach.[5]

The task of executive development is one of peculiar complexity. It crosscuts the two areas of business-management and education, areas that in the thinking of many observers are not easily meshed.[6] Anyone who faces the problem of bringing them together runs into the question of expertise. "Those who do, do, those who can't teach," runs the old saw. But there are able executives who are poor teachers, and good teachers who know little about the problems of administration. There is a firm belief by those who have participated in an executive development program that the proper role of the faculty is not that of teachers, in the normal sense of the word. Most of the teaching that occurs, they agree, is the product of class interaction. The students teach each other. The role of the official teacher is rather that of discussion leader, stimulator, irritator, catalyst.

Wherever possible, the program should be tailor-made for the individual trainee, and should consider his talents, abilities, weaknesses and aspirations. An interview investigating the trainee's concept of how the organization is

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[5]Willard E. Bennett, Manager Selection, Education and Training (New York: McGraw-Hill Book Company, 1959), p. 134.

[6]Melvin Anshen, "Executive Development -- In-Company vs. University Programs," Harvard Business Review, XXXII, (September-October, 1954), p. 83.

structured, the responsibilities of the various jobs to which he aspires, the steps and timing he feels are necessary to reach his goals, and his own evaluation of his experience and training in the areas necessary to reach each step and progress to the next has been found to give a good measure of aspirations. Any good training program must clearly define the knowledge that is to be acquired and establish a time schedule (which may be varied according to individual capabilities) by which this knowledge should be learned. Every effort should be made to design the training program in such a manner as to permit the maximum amount of participation from the trainee. The material and its delivery must not be on such a low level it insults his intelligence; and a sufficient amount of outside personal effort and time must be required to challenge him.[7] He must be stimulated to seek and apply his own insight, rather than to merely collect the conclusions of others, by a system of rewards and incentives related to his desire to learn, to continue to learn, and then to apply what he has learned. Throughout the executive development process, mistakes by the trainee should be tolerated provided he learns and profits by these mistakes. Finally, the program must remain flexible in objectives, procedures and content, so that it can continue to meet the needs of a developing subordinate.

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[7] F. Gordon Barry and C. G. Coleman, Jr., "Tougher Program for Management Training," Harvard Business Review, XXXVI, No. 6 (November-December, 1958), p. 125.

Levinson discusses[8] a series of psychological barriers that every manager should be aware of within the organization that subtly counteract the development process. He enumerates them as:

(a) a major factor in a manager's development is the opportunity for him to identify with those who have more experience, skill, and power than he has.

(b) the coaching-appraisal process, as usually carried out in U.S. business, falls short of the mark because it does not support strong relationships and contact between a boss and his subordinates.

(c) among the most important reasons for this failure are that most executives do not give enough time and thought to working with their juniors; the climate in business is not tolerant enough of mistakes and individual needs to learn, and rivalry between bosses and subordinates, tends to be repressed instead of acknowledged.

He recommends a number of possible corrective steps:

(1) if the growth of executive capacity depends in a large measure on identification; and identification in turn depends on the relationships between superior and subordinate, then the psychology of this sequence should be recognized by all executives who ought to be identification figures, from the president on down.

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[8] Harry Levinson, "APsychologist Looks at Executive Development," Harvard Business Review, XL, (September-October, 1962), pp. 69-75.

(2) if the strength of the relationship between superior and subordinate is significantly related to the freedom each has to express his feelings to the other, about the relationship, then the superior must make it possible for the subordinate to express his feelings without being considered immature or inadequate for doing so. True, not everyone is skilled in eliciting feelings. There are, however, a good many seminars and sensitivity training laboratories where such skills can be learned.

(3) if both superior and subordinate share responsibility for the task which the subordinate is doing, then coaching and appraisal or development efforts must look at what they are doing _together_ to fulfill the responsibility, not only at what the subordinate is doing himself.

(4) if executives are to feel responsible for the task of helping their subordinates to grow, two kinds of payment will be required. Each executive (a) will need psychological payment in the form of the same kind of attention from his own superior and recognition of what he is doing; and (b) he will also need to be compensated for development. One criterion by which an executive should be evaluated and paid is how well he helps others to grow, as shown by the records of advancement of his subordinates.

(5) if the development of executives is important for the survival of the organization, then it is the responsibility of each executive to whom others report. It cannot be delegated.

Levinson further states that given the acceptance of this responsibility by line executives, a staff department devoted to management development can make an effective complementary contribution. The staff department can help the line executive develop his own coaching and interviewing skills.

No matter how good the formal development program - and many are very good - it cannot replace the personal relationship which are also required for growth. But the training responsibility is usually assigned to staff people in the organization; who, regardless of their competence in their jobs, have very limited authority and power. Therefore, they cannot themselves be adequate identification figures for men who are pursuing increasing line responsibilities.

Personnel Availability

Four problem areas here which are important to bring to light are:

(1) on the present employment market, capable young personnel are at a premium, competition for them is keen, and banking work is not so glamorous as other industries (such as missiles or electronics, for example).

(2) banking is so complex that a long and often discouraging apprenticeship is required; and the future promises that banking will become even more complex, thus requiring even more training than was necessary in the past.

(3) college graduates possessing business degrees too often find they have received inadequate preparation in basic banking courses or find vital courses have been slanted toward business areas other than banking. In any case, these personnel are just unable to step into even the most junior executive positions without further education.

(4) in the past (although not to such a degree nowadays), the financial reward to the capable man who devoted his life to properly preparing himself to serve as a bank officer has not been adequate and young personnel have gone into other more lucrative business fields.

Selection of Personnel By Use of Psychological Testing

Executives and psychologists both know that employee selection without the help of psychologists works and works well. But research also indicates that initial selection is far from perfect and errors in hiring, placing, and promoting can be reduced - so that more qualified people will be put in responsible positions and the less qualified will be placed in jobs they can handle - methods which a psychologist can handle.[9]

Evidence show that tests do work - there are so many different kinds of tests or other procedures, not all of which are equally effective.

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[9] Richard S. Barrett, "Guide To Using Psychological Tests," Harvard Business Review, XLI, (September-October, 1963), pp. 138-146.

Background questionnaire: the greatest success to date has been with the personal background questionnaire; the applicant checks one of several alternative answers about hobbies, school performance, attitudes and the like.

Intelligence test: there are mixed results from this type. Since the bulk of those applying for executive banking jobs are qualified intellectually, their success depends on qualities other than the relatively small differences in intelligence which exists among them.

Personality test: a dismal history has been recorded. by personality tests. On the whole this type of questionnaire, test, or inventory has not proved to be useful.

Psychological interview: especially when there are several generally acceptable candidates for a job. Here the psychologists who know the company brings to the interview a background which helps him to frame meaningful questions and to interpret the answers.

Use of psychological selection procedures brings up questions of invasion of privacy, probing personal life, selection of conformists (dull, unimaginative personality), rejection of qualified candidates (some people have inability to take tests).

Executive Development Methods and Techniques

There are many methods and techniques being used in present bank executive development programs. For convenience, they will be considered under the headings of on-the-job

training, in-house instruction methods and activities outside the bank.

(1) On-the job training. Through this method, the subordinate and superior both cooperate andparticipate in evaluating progress versus goals, assessing further development needs and goals, planning the direction that this further development should take, and determining how the organization can assist the trainee in working toward the accomplishment of these goals. They develop the trainee's sense of participation and provide leadership and interest by the organization. But primarily they tailor the training to the peculiar needs of the individual trainee. On-the-job training devices applicable to the banking field are job rotation/planned transfers, understudy positions for training, special "trainee" positions, "multiple management" plans, "coaching" by the immediate superior, individual counseling, and committee assignments for training purposes (wherein trainees study and solve a particular problem).

Most on-the-job guidance toward development is, of course, under the supervision of the employee's immediate superior. There are many who feel that the primary responsibility for management development must be placed with the incumbent managers rather than with a program coordinator or director.[10] However, performance appraisal committees

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[10] Dr. Robert S. Coe, "Common Sense In Manager Development," Advanced Management, XXIV, (November, 1959), p. 25.

usually recommend that one or more other officers should be requested to coach and instruct the traineed in their specializations.. The principal value of this procedure is that it helps to pass along more of the experience and knowledge of the senior officer group to the portential young executives, thus assuring continuity of management concepts and knowledge (and also provides a means for doing this in the shortest time).

In using on-the-job training techniques, it must always be remembered that no program will really produce results until every superior recognizes and discharges his personal responsibility for developing the trainees entrusted to his care. The key is greater delegation of authority, coupled with thoughtful, understanding handling of subordinates to bring out their good qualities. Here the responsibility on the superior is to "lead" rather than "drive", to develop rather than stifle. He must be aware at all times of the subordinate's responsiveness to his views and attitudes. He must let the subordinate know "how he stands", both through day-to-day contacts and periodic reviews.[11]

(2) In-house instruction methods. These techniques are usually in the form of classroom courses and seminars covering such topics as organization policies, administration, management,

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[11] Joseph M. Dooher and Vivienne Marquis, "<u>The Development of Executive Talent</u>," New York: American Management Association, 1952, p. 71-72.

fundamentals of supervision, current developments in the banking field, problems peculiar to the individual bank, new methods and techniques, human relations, and other topics of interest to management and to the trainees themselves. The usual tools used in this type of instruction take the form of case studies/problem-solving conferences (drawing on current problems for material), lectures by outside speakers, buzz sessions (small discussion groups), role-playing (acting out case studies), panel discussions, forums, and workshops. Such tools as outside reading and study, films, slides, etc., can and should be used as extensively as possible with all the instructive methods mentioned thus far. The type, number and combinations of the various techniques used must be proportioned to best fit the size bank for which intended. One of the newest methods now being used in bank programs is that of T-group training. Arygris[12] describes this as executive education by the process of re-education. A laboratory technique, called T (for Training) group, it is basically a group experience designed to provide maximum possible opportunity for the individuals to expose their behavior, give and receive feedback, experiment with new behavior, and develop everlasting awareness and acceptance of self and others. The T-group, when effective, also provide individuals with the opportunity to learn the nature of effective group functioning.

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[12] Chris Argyris, "T-Groups for Organizational Effectiveness," Harvard Business Review, XLII, (March-April, 1964) pp. 60-74.

It is in the T-group that one learns how to diagnose his own behavior; to develop effective leadership behavior and norms for decision making.

(3) Activities outside the bank. Outside aids to executive development are being used to an increasing degree by banks as valuable supplements to on-the-job training and in-house instruction methods. These outside activities can be grouped into four categories: (1) banking associations; (2) schools and conferences; (3) organizations other than banking; and (4) government departments and agencies.

a. Banking associations. Banking associations consist of local, state and national associations; the type of association and the scope of its activity determine the services available. The services provided by the American Bankers Association (A.B.A.) will be briefly discussed here; however, services provided by the other associations are similar though not nearly so broad in scope.

The American Bankers Association is a nation-wide organization of all classes of banks in the United States. It has members in every state, accounting for approximately 98% of American banks holding approximately 99% of the country's deposits. The chief aims of the Association are to promote the general welfare and usefulness of banks and financial institutions; secure uniformity of action; obtain the practical benefits of personal acquaintance and discussion of subjects important to banking and commerce, especially

proper consideration of financial and commercial usages, customs and laws affecting the banking interests of the entire country; and to provide protection against crime.[13] Participation in Association affairs is helpful to the banker being developed for an executive position. This experience broadens the individual through association with other bankers and enables him to participate in research involved in new projects. The American Bankers Association maintains a library for use of its member banks and publishes BANKING, a journal containing timely and informative articles on many aspects of banking and related subjects which present useful reading for the potential bank executive.

1. The American Institute of Banking (A.I.B.) was organized in 1900 as a section of the American Bankers Association; the purpose of the A.I.B. is the education of bank personnel in the theory and practice of banking and in those principles of law, economics, and accounting that pertain to the banking business, and the establishment and maintenance of a recognized standard of education. Today, the A.I.B. is considered to be the most extensive adult-educational program in the world established by an industry for the development of its own people.[14] Its curriculum

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[13] Glenn G. Munn, Encyclopedia of Banking and Finance (Boston: The Banker's Publishing Company, 1962), pp. 20.

[14] Ibid.

leads to basic, standard and advanced certificates and include college level courses especially prepared for bank personnel.[15]

2. The Graduate School of Banking. Superimposed on the American Institute of Banking educational structure is the Graduate School of Banking, designed specifically for executives. The School was established in June 1935 and operates its resident sessions on the campus of Rutgers University. The faculty is comprised of men from banks, universities, other businesses, and government agencies. The student body is comprised of over one thousand bank officers who are required to spend eighty classroom hours in each of three two-week resident sessions, plus at least ten hours a week for two years on extension problems and thesis work.[16]

b. Schools and conferences. This category includes banking schools; local, state, and national banking conferences; and courses offered by universities and colleges. Local, state and national banking associations, some of the Federal Reserve Banks, and many city correspondent banks sponsor a large number of conferences on management problems,

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[15] The American Institute of Banking, Catalogue 1964-1965 (New York: American Institute of Banking-Section The American Bankers Association, 1964), pp. 1-63.

[16] William A. Irwin, "Education for Banking," Encyclopedia Americana (1964 Edition), p. 203.

which are attended by thousands of bankers annually.

More and more banks are adopting the practive of having the men who attend such conferences or schools review the pertinent information at subsequent meetings of officers and staff who would benefit from such a presentation (including other trainees).

Through extension courses and special short courses, universities and colleges have much to offer in the development of a bank executive, and most of the banks indicated they encourage their trainees to pursue courses at nearby educational institutions during off-duty hours.

c. Organizations other than banking. Aid in this area comes from such organizations as the American Management Association, National Industrial Conference Board, national and local Chambers of Commerce, from a great variety of commercial reporting services, research departments of insurance companies and public utilities, and from general publications covering banking and business.

d. Government departments and agencies. This category includes the Federal Reserve Banks, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Treasury Department, state banking departments, and many other state departments and agencies. These organizations are engaged constantly in research and their surveys and reports on developments and trends provide information of great importance to a bank. Those in an executive development

program are made aware of the wide range of material available, and utilize what is pertinent.

Performance Appraisal and Follow-up

The responsibility for executive development does not end with the establishment of a training program. Top management must be interested in the results obtained, since a great deal of expense is usually entailed. Thus, an appraisal program to formal training takes on important aspects. In addition, the feedback thus provided senior executives and the various course instructor/supervisors is useful in improving training programs.

The most generally effective approach to management appraisal has come to be known as the conference appraisal method; a technique which has been effectively employed in many of the more progressive banks throughout the country. One of the most valuable characteristics of conference appraisal lies in pooling the judgment and experience of several individuals, instead of relying on the judgment of any one person. Through informal discussion of the performance characteristics and capabilities of an individual by several people with differing perspectives, two primary benefits are achieved: (1) greater objectivity through the corroborating or conflicting judgment of the conferees; and (2) an integration of those several perspectives. A further advantage of conference appraisal lies in its flexibility in application to banks of all sizes. Only in detail of

application is there variation. The conference appraisal technique can be set forth in four steps, as follows:

<u>Step 1</u>. Individual officers and potential candidates are appraised by a committee consisting of the officer supervising the individual under consideration and two other officers, who should be familiar with both the job duties and the performance of the individual. Results actually accomplished and any demonstrable progress made since the last appraisal should be thoroughly explored; and any differences of opinion discussed until agreement is reached. Items to be considered should include: organization and follow-up on assignments, handling detail, delegation of responsibility, and how the trainee develops his subordinates. Finally, his personal qualifications should be considered with reference to such items as education, prior work experience, job knowledge, health, family responsibilities, and personality traits.[17] The appraisal committee is responsible for recommending guidance of the individual to correct inadequacies in his present performance, and for development of his best potential.

<u>Step 2</u>. A summary of conclusions and specific recommendations of the appraisal committee is prepared, examined and edited by the conferees before a final conclusion is reached.

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[17] Joseph E. Hughes, "Systematic Application of the Conference-Appraisal Technique," <u>Banking</u> (April, 1953).

Re-examination of the facts and judgments determined in the appraisal conference frequently leads to further conclusions, some of which have been contemplated by the conferees since the original conference, and are only fully matured by summary review.

<u>Step</u> <u>3</u>. The appraisal summary is now studied by a board of review comprised of top management. This step is the only one which flucuates with the size of the bank concerned -- small banks might have to use directors to fill out the review board. Whatever the composition of the review board (or even the appraisal committee), recommendations for counseling, special training assignments, or other development procedures must be critically examined by this board. Sometimes they are amended; and often they are supplemented by further recommendations, which may be based on future plans not yet announced to the organization as a whole.

<u>Step</u> <u>4</u>. The high points of the appraisal and the detailed recommendations are now discussed with the trainee concerned.[18] Such a discussion must be carefully planned for clear presentation and maximum acceptability. The immediate supervisor must conduct the initial discussion if effective relationships and responsibility are to be preserved. In

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[18] Gilson, <u>op</u>. <u>cit</u>., p. 48.

other cases, if intensive development of some special skill is indicated, an officer who specializes in that field may be better equipped to give detailed guidance.

Reappraisal

Management has a right to expect that problem areas revealed through the appraisal process are corrected as rapidly as possible. If the problem is a lack of cooperation, or of conformance with procedures and policies, some improvement should be required almost immediately. In any case, frequent reappraisal should be conducted of the trainee's performance. Sometimes, this reappraisal confirms previous conclusions, which lends added assurance to such conclusions.

Summary

Pressures in the present business world exist that make executive development a vital function in any progressive banking institution. By and large, the trainee cannot cope with his development alone, he must be aided and encouraged by the organization and an interested management. Through the establishment of a good training program, management provides encouragement for executive development. However, this must be a carefully planned evolution (as developed throughout the last two chapters); it must proceed in three distinct stages: (1) preliminary, where management sets the stage by discerning requirements and setting the ultimate goals for executive development; (2) program, actual design and conduct of training, during which management

has the responsibility for presenting material at the proper level, relating training to job needs and selection of superiors/ instructors with ability to impart the desired learning using the appropriate method or techniques; and (3) appraisal, whereby management analyzes the results of the training program and determines how closely the desired end-product of such training is achieved.

# CHAPTER IV

## RESULTS OF STUDY

The authors conducted a mail questionnaire survey of Executive Development Programs offered by selected banking institutions in the spring of 1965. In order to provide background and depth in the various training programs, an eight question survey form was developed. This questionnaire, (appendix A) was similar in content to two previous questionnaire surveys conducted by the First Research Corporation in 1956 and 1961. The writers felt most fortunate in having these studies available to them in order to develop a comparative analysis of the results of all three surveys.

### The Study of 1956

(1) The Background. At the end of 1956, the First Research Corporation, a consulting firm established by Philip W. Moore, undertook a detailed mail questionnaire of the 300 largest banks in the U.S. to determine the place of "executive development" in these banks.[1] The results of this survey were printed in the December 1956 issue of BANKING.

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[1] Editors of Banking, "Management Succession", Banking, XLIX, (December, 1956), pp. 40-43.

The author stated then:

> Lest this method seem too arbitrary or limited let us point out that in this group of banks we have an excellent cross section and an excellent sampling of some of the more progressive management methods evidenced today.

One thing stood out like a beacon, and it was that commercial banking had over the previous three years (1952-1955) sharply realized the great importance of management and executive development, and had faced up to the problem. Another thing was equally clear, however, and that was the technique for doing this had been undertaken on a fairly routine and pedestrian basis, relying much more on what other banks were doing (or had done) than on what were the best basic industry proven management ideas or practices.

It was interesting to note how many bankers, when seeking a solution to some management problem sought to inquire into what other banks were doing and to be guided completely by that. Often enough, the justification for a certain administrative move was that: "a number of other banks did so", or that a survey made by the bank's cashier a year ago of certain other banks indicated so and so. There seemed no concern lest outdated or actually incorrect or inapplicable methods were copied. There seemed to be no honest inquiry or widespread curiosity as to what was being done in industry, generally, and no borrowing of techniques or methods from other fields.

(2) The Survey. Briefly, the survey utilized as a sample commercial banks representing somewhat more than half the

deposits in the United States, covering 55% of the banking employees in the United States, and an estimated 65% of the executives and supervisors in the commercial banking system in the country.

The survey was a mail questionnaire sent to 300 largest banks in the country. These banks were selected as a group because they had, upon previous investigation, offered the best possibilities for facts and methods used in management development techniques. Management development phrases and ideas in commercial banking were much in vogue, there was more talk about it than was done about it. The survey indicated that only 5% of the total of thousands of employees in commercial banking surveyed were actually enrolled in a formal management development program.

The Study of 1961

(1) The Background. In the fall of 1961, the First Research Corporation undertook a similar survey of the same banks.[2] A mail questionnaire went to 298 banks, and, by the time the cut-off date came for final evaluating, over 40% had responded - an excellent return from a mail questionnaire. The commercial banks included in the survey represented more than half of the deposits in the United States, with over 50% of the banking employees, and approximately 50% of the bank

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[2]Philip W. Moore, "The Growing Interest in Executive Development," Banking, LIV, (June, 1962), pp. 50-53.

executives in the country.

(2) The Survey. Compared with 1956 (a 5 year period 1956-1961), commercial banks in the United States had moved very rapidly toward formalizing their executive development programs. This undoubtedly had been due to increasing progressiveness among banks; to continued discussions of this problem by the American Banking Association, Banking magazine, and others; and to a general facing up to the fact that management succession was one of the major problems in banking.

Since these larger banks were the bellwethers in many ways, particularly in developing modern bank management methods, the survey results were exceedingly interesting and provocative.

By now, the development of executives had become a line rather than a staff function in major banks.

While believing in the utility and value of such programs, there was a substantial number of banks that questioned the basic value of such executive development programs.

## The Study of 1965

(1) The Background. Our mailed survey form allowed the respondees to merely fill-in a blank (one or two words or numbers), check-off a particular training technique or answer a specific inquiry in a few short phrases. It was felt that the study form was sufficiently comprehensive to limit any

need for submission of a large amount of written material by the busy bank executive (although this option was available to him). The two page survey form was attached to a covering letter and mailed to 134 of the largest banking institutions in the country.

Limitations of the Study. Although the participants in the survey represent a cross section of the nation's commercial banks, they typify what might be called the "larger" banks. The data that follow are not necessarily true, therefore, for every American bank (for example, the hundreds of small town institutions spread throughout the country). We estimated that the commercial banks included in the survey represented more than 40% of the deposits in the United States, with one half of the banking employees, and approximately 50% of the bank executives in the country.

Population of the Study. The questionnaire was sent to 134 banking institutions in the United States. Of the 134 inquiries, 66 replied (49.3%); an outstanding return from a mail questionnaire. Three respondees failed to submit the survey form but did reply to some of the information requested in a separate letter. Those banks who replied represent a geographical cross-section of American banks, as is evident from the tabulation in Table I.

TABLE I

GEOGRAPHICAL BREAKDOWN
OF SURVEY RESPONDEES

| Area | Number Replying |
|---|---|
| New England | 8 |
| Mid-Atlantic | 14 |
| Southeast | 5 |
| Mid-West | 15 |
| Rocky Mountain | 2 |
| Southwest | 3 |
| Far-West | 18 |
| Hawaii | 1 |

Comparative Analysis of The Surveys.

Question 1. Does your bank have a recognized and established program for developing personnel for management positions and how long has it been in existence?

| Formal Program | 1956 | 1961 | 1965 |
|---|---|---|---|
| YES | 27.1% | 64.2% | 92.4% |
| NO | 72.9 | 35.8 | 7.6% |

These figures reveal quite clearly that there has been a tremendous reversal and upgrading, and that almost all large commercial banks have a program in existence compared to ten years ago when the reverse was true. In other words, better than 9 out of 10 of the banks have an organized formal management program. This in itself is most revealing.

[illegible]

| [illegible] | [illegible] |
| --- | --- |
| [illegible] | [illegible] |

[illegible]

[illegible]

Further analysis showed that some banks have an informal program in existence.

| Informal Program | 1956 | 1961 | 1965 |
|---|---|---|---|
| YES | 98.4% | 76.5% | 3.3% |
| NO | 1.6 | 23.5 | 96.7 |

In 1956, the banks recognized that some program was necessary, however informal, but subsequently, a new more definitive approach had definitely developed. The "informal" and "formal" programs resemblances were almost equal in proportion in 1961, whereas they were sharply differentiated in 1956. By 1965 the heavy emphasis was to the "formal" type program, with only a minor percentage indicating the "informal" program.

Program Length. In reply to the question "How long have you had a recognized and established plan for developing personnel for management positions?", the sixty-three banks with a program in 1965, stated that their programs have been in existence over a range of six months for a newly established bank to twenty years for the most established program. Further, the analysis shows that the mean number of years that all programs have been in existence was 9.7 years, with a median 10 years.

TABLE II

LENGTH PROGRAM IN EXISTENCE

| | 1956 | 1961 | 1965 |
|---|---|---|---|
| Less than 1 year | 13.1% | 5.7% | 3.2% |
| 1 to 3 years | 30.4 | 19.2 | 7.9% |
| 3 to 5 years | 26.1 | 19.2 | 12.7% |
| Over 5 years | 26.1 | 52.0 | 73.0% |
| No answer | 4.3 | 3.9 | 3.2% |

This table indicates generally that the starting of management development programs reached some sort of a peak about seven years ago. It can be seen from the 1965 figures that some 85% have had these programs in operation for more than three years, and only 11% less than three years. This compares with 52% (in 1956) and 71% (in 1961) of banks with programs in operation.

Question 2. Who established your initial program? outside consultant; in-house design; or other (specify).

| | 1965 |
|---|---|
| In-house design | 92.4% |
| Outside consultant | 0 |
| Other | 0 |
| No answer | 7.6% |

The second query of our survey was asked to determine in what manner the initial executive development program was established. Specifically, whether it was installed with the assistance of an outside consultant, designed by executive personnel of the bank itself, or some other particular method was used as a blueprint. This question had not been asked on the previous two studies.

In answer to this question, sixty-one (92.4%) indicated their program was of in-house design. Five institutions failed to indicate how their training program was established. No institution indicated that special outside assistance was required. This is significant in that it indicates the banking industry's limited use of established training programs proven in other industries.

<u>Question 3</u>. What executive position carries direct responsibilities for the executive development program?

This next question was proposed to determine the level of authority in the bank management hierarchy that is assigned to the position of the director of the development program. The data collected and comparative analysis are presented in Table III.

One of the interesting results of the 1961 survey was that, over the previous five years (1956-1961), the Personnel Officer lost his formerly dominant position as the arbiter and organizer of the management development program of commercial banks. He had become supplanted by groups or committees.

TABLE III

EXECUTIVE POSITION DIRECTING TRAINING PROGRAM

| Bank Position | 1956 | 1961 | 1965 |
|---|---|---|---|
| Personnel Officer | 43.5% | 27.4% | 40.7% |
| Vice President | 30.3 | 2.0 | 27.1 |
| Executive V.P. | 4.0 | 7.8 | 13.6 |
| President | ___ | 2.0 | 8.5 |
| Committee or Group | ___ | 45.1 | 1.7 |
| Vice-President and Cashier | 1.1 | 4.9 | 6.7 |
| Vice-Chairman of Board | ___ | ___ | 1.7 |
| Personnel Officer plus one other officer | 21.1 | 7.8 | ___ |
| | | | 100.0 |

This seems to have arisen not so much from the fact the Personnel Officer was not able to do it, but from the fact that management development programs had become recognized as much more of a line problem, not a staff problem.

Our results (1965) clearly indicate that executive development directorships are again assigned to top management positions. Sixteen (27.1%) of banks provide for a special top level position, with the status of a Vice-President, who is directly responsible for their program. The majority of the

banks, twenty-four (40%) assign the Director of Personnel (Vice-President status) to this responsible position. This signifies the swing back toward the appointment of a more responsible individual to direct the training program and a turn away from the committee or group supervision.

Question 4. What techniques are used as part of a management development program?

TABLE IV

TRAINING TECHNIQUES USED

| Technique | 1956 | 1961 | 1965 |
|---|---|---|---|
| On Job Training | 100.0% | 90.4% | 85.7% |
| A.I.B. | 91.3 | 67.3 | 44.4 |
| Out of Town Banking Schools or Courses | 82.6 | 76.9 | 68.3 |
| Job Rotation | 78.3 | 86.5 | 98.4 |
| Inside Lectures | 73.9 | 69.2 | 66.7 |
| Outside Local Schools | 60.9 | 59.6 | 57.7 |
| Special Assignments | 52.2 | 75.0 | 66.2 |
| Assignment as Assistant to Senior | 51.1 | 40.4 | 53.9 |
| Committee Work | 38.2 | 21.2 | 16.5 |
| Travel and Others | 30.4 | 17.3 | 44.4 |
| Informal Coaching by Senior Officers | ___ | 50.0 | 73.0 |

Note: multiple answers included in percentages.

IV

TABLE V

TRAINING TECHNIQUES USED IN
EXECUTIVE DEVELOPMENT PROGRAMS
OF 63 SELECTED BANKS
(1965)

| Technique | Predominately Used | Much Used | Some Used |
|---|---|---|---|
| Job experience | 23 | 12 | 19 |
| Training by consultants | 0 | 1 | 19 |
| Job rotation | 29 | 16 | 17 |
| 'Assistant to' positions | 4 | 10 | 20 |
| Special trainee positions | 14 | 5 | 22 |
| In-company training classes | 12 | 18 | 12 |
| Multiple management plans | 0 | 0 | 3 |
| Coaching by superior | 8 | 21 | 15 |
| Individual counseling | 7 | 18 | 26 |
| Committee assignments | 0 | 3 | 10 |
| College courses | 5 | 12 | 26 |
| Other outside courses (AIB) | 6 | 8 | 14 |
| Conferences at company expense | 0 | 5 | 23 |

The job rotation technique, a program whereby an individual progresses through various bank positions, has become the predominant management training method. On-the-job training was used in almost every bank in 1956, and was still the leading technique in 1961; however, by 1965, it was only one of a number of popular met ods. Now on-the-job training seems to have declined in popularity; the job rotation technique having supplanted it, as was previously mentioned. Coaching by senior officers and assignment to senior officers (combined) have gained in importance over the past 9 years. Out-of-town banking schools and A.I.B. courses have declined in relative interest.

In 1956, the emphasis on A.I.B. courses and special courses in colleges was evidenced by their popularity; all this seemed to indicate (particularly taken in line with some of the thinking on outside reading and committee work) a look in bank officer training which had less emphasis on improving management skills, and more on technical skills.

By 1961, special assignments, outside local schooling, and informal coaching by senior officers seemed to have supplanted this, now evidencing a trend toward training in management skills rather than technical skills as such.

In the 1965 survey, sixty-three banks submitted data on the training techniques used in their organization to provide a well-rounded background in banking experience. Table V tabulates the information on these techniques.

Adequacy of College Graduates. Question five of the survey in executive development was essentially a two part question which asked: "Do you consider graduates from present colleges to be adequately prepared to start off in executive positions?" and "if no, after approximately how many years of development are they considered to be ready?".

The results of this query overwhelmingly showed a negative answer. Fifty-eight (87.9%) indicated no to this question, while only five (7.6%) said yes and three had no comment. Of the fifty-eight expressing the opinion that present day college graduates are inadequately prepared to start off in executive positions, fifty submitted an estimate of the number of years required to develop an experienced individual. The range of years was one to twenty; the mean was 4.1 years; the median was 3.75 years. Three respondees said it depended solely on the individual's ability. Five replies expressed no comment in this area.

Program Methods. Sixty-three banks submitted data on the methods of instruction used in their regular management development programs. Table VI tabulates the information on these instructional methods.

A study of the results indicates clearly that the predominate method of instruction is through group discussions, followed closely by case studies and assigned outside readings. Visual aids and workshops were two additional methods used to teach the trainees.

TABLE VI

METHODS OF INSTRUCTION USED IN EXECUTIVE DEVELOPMENT PROGRAMS OF 63 SELECTED BANKS

| METHOD | Predominately Used | Much Used | Some Used |
|---|---|---|---|
| Assigned outside reading | 5 | 18 | 31 |
| Lectures by outside speakers | 2 | 10 | 27 |
| Group discussions | 13 | 10 | 20 |
| Case study | 6 | 11 | 15 |
| Sociodrama (role playing) | 0 | 2 | 11 |
| 'Buzz' sessions | 1 | 6 | 18 |
| Panels | 0 | 3 | 12 |
| Forums | 1 | 1 | 9 |
| Workshops | 4 | 7 | 20 |
| Films, slides | 1 | 6 | 25 |
| Other (specify): | | | |
| Field trips | 0 | 0 | 4 |
| Project assigned | 0 | 0 | 3 |

One of the questions on the survey dealt with the attributes, i.e. the traits, abilities, and characteristics of well-developed executives, purporting to answer the question of what makes a successful bank executive. The authors amassed some 150 characteristics, and found it extremely difficult to find a pattern present, i.e., stereotyping a successful bank executive.

A search of the literature met with a similar fate. Part of this is due to the extreme difficulty in researching human attributes.[3] But a failing of this part of our study can also be ascribed to the theoretical approach involving rationalization of qualities which an executive should have instead of those actually possessed. Other analysts have confined their research to a single company or a very small group of executives. In these instances the sample has been too small for representativeness.

For this study 63 bank personnel directors submitted their broad appraisals of attributes possessed by other bank executives with whom they were familiar. We feel the sample is large enough to provide statistically significant number of responses to various attributes.

Common Denominators

Analysis of the appraisal information disclosed more than

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[3]C. Wilson Randle, "How To Identify Promotable Executives," Harvard Business Review, XXXIV, (May-June, 1956), pp. 122-134.

150 identifiable characteristics as being desired in a successful bank executive. The sample of 63 banks was analyzed. But only 30 attributes were of sufficient occurence to be regarded as prevailing or "common denominator" characteristics. Exhibit I lists and briefly defines these qualities.

It will be seen at once that some of these characteristics are broader in scope than others. This is particularly true for the first 4:position performance, intellectual ability, human relations skill, and personal characteristics. These are composite or general qualities basically made up of a number of characteristics, many of which also appear individually on the list. Other qualities differ in degree or scope. Few are mutually exclusive; many overlap.

All of this is by way of saying that the 30 common denominator characteristics follow the expected pattern of human qualities; they cannot be neatly packaged and compartmentalized because they do not occur in individuals in this fashion. At the same time, through usage, many of these terms employed here have acquired a definite meaning in peoples' minds. They tend to be better understood, and hence to be more practicable, than terms which might be constructed for the purposes of this study.

EXHIBIT 1

EXECUTIVE CHARACTERISTICS

1. Position Performance - how well the individual carries out duties of his present job.

2. Intellectual ability - ability to solve problems to adapt to new situations, to analyze and make judgments.

3. Human relations skill - ability to motivate people and get them to work together.

4. Personal characteristics - the total of temperament or personality characteristics bearing on executive functioning.

5. Technical knowledge - the knowledge of functional skills needed to carry out position requirements.

6. Breadth of knowledge - range of interests. Use of information and concepts from other related fields of knowledge.

7. Planning - looking ahead. Developing programs and work schedules.

8. Administration - organizing own work and that of others. Delegation, follow-up, control of position activities.

9. Accomplishment - Executive's use of time. Amount of work produced.

10. Quality - accuracy and thoroughness. High standards.

11. Dependability - Most schedules and deadlines adheres to instructions and policy.

12. Acuteness - mentally alert. Understands instructions, explanations, unusual situations, and circumstances quickly.

13. Capacity - mental depth and breadth, reservoir of mental ability.

14. Flexibility - adaptable. Adjusts rapidly to changing conditions. Copes with the unexpected.

15. Analysis and judgment - critical observer. Breaks problem into components, weighs and relates, arrives at sound conclusions.

16. Creativeness - original ideas. An inquiring mind. Fresh approaches to problems.

17. Verbal facility - articulate. Communication - generally understood by persons at all levels.

18. Socialness - makes friends easily. Works "comfortably" with others. Has sincere interest in people.

19. Acceptance - gains confidence in others, earns respect.

20. Sensitivity - has a "feel" for people; recognizes their problems. Quick to pick up "the way the wind is blowing". Is considerate of others.

21. Leadership - receives loyalty and cooperation from others. Manages and motivates others to full effectiveness.

22. Developing others - Develops competent successors and replacements.

23. Motivation - has well-planned goals. Willingly assumes greater responsibilities. Realistically ambitious.

24. Attitude - enthusiastic, constructive, optimistic, loyal. Good orientation to company, position, and associates.

25. Vision - has foresight; sees new opportunities. Appreciates, but not bound by, tradition or custom.

26. Self-control - calm and poised under pressure.

27. Initiative - self-starting. Prompt to take hold of a problem. Sees and acts on new opportunities.

28. Drive - works with energy. Not easily discouraged. Basic urge to get things done.

29. Self-confidence - assured bearing. Inner security. Self-reliant. Takes new developments in stride.

30. Objectivity - has an open mind. Keeps emotional or personal interests from influencing decisions.

DISTINGUISHING QUALITIES

The next step was to determine just which of those 30 qualities seemed best to indicate a well-developed bank executive. To be accepted as such, a quality needed to be significantly present in a number of responses. The seven most predominant characteristics were:

| Characteristics | Percentage presence |
|---|---|
| Drive | 54.7% |
| Leadership | 49.2 |
| Decision-making, judgment | 41.8 |
| Emotionally mature and stable | 39.6 |
| Intelligence | 25.5 |
| Personable (Public Relations) | 26.4 |
| Communication Ability | 42.5 |

Reading from this table, it will be observed that Drive and Leadership were the two most recognized traits in well-developed executives.

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# CHAPTER V

## SUMMARY, CONCLUSIONS AND THE MODEL

### I. SUMMARY AND CONCLUSIONS

This study has attempted to analyze the executive development problem facing the modern American banking industry; the problem of providing for the continuity of competent, well-trained management within this industry. The main procedures for coping with this problem are:

1. Realization that future needs of the organization must be properly anticipated and appropriate immediate action taken to insure these future needs can be met as they occur.

2. Sound recruitment and selection of the men needed to meet these future requirements.

3. The development of potential executive talent through the careful employment of the appropriate executive development techniques.

4. Determination of developmental progress of personnel and their strengths, weaknesses and particular areas of need through use of the conference appraisal method and frequent reappraisal.

Banking is a profession which requires a sound knowledge of technical operating methods and procedures--knowledge of history, economics and government--intense

specialization in the art of communication--but most important, the intricacies of getting along with people, (whether they be top management or the lowest clerks). Unfortunately, many colleges and universities are turning out graduates with an education which the educators believe business should have, instead of turning out graduates possessing the knowledge and education which banking requires or demands; and have become somewhat negligent in providing, or requiring, courses of study which would properly equip graduates with the knowledge required of those aspiring to assume administrative responsibility and executive leadership in banking. In an attempt to bridge this void the American Bankers Association and its American Institute of Banking (and to a lesser extent,other associations) have made excellent contributions to the education of bank personnel,through chapters, correspondence courses and banker's schools. Most of the larger banks today sponsor programs to train their own employees or trainees in the bank's own operations, while in the smaller banks, the practice of learning by association (on-the-job training) is the primary method employed. These facilities and methods, however, are too frequently employed in an uncoordinated manner, resulting in improper training of potential executives and their consequent inability to cope with the problems of our fast moving economy. As an

example, learning by association can be a practical way to learn, provided techniques which are followed conform to current developments and recognize and incorporate efficient methods and procedures. Often, however, methods and procedures taught are obsolete and inefficient, and not only reflect the indifference of management, but the incapacity of those in charge of personnel and operations, to properly assume training responsibilities. It is extremely difficult to standardize training, for the supervisor of each trainee will have different methods and techniques for attacking one problem. Further, executives that are highly qualified bankers are sometimes reluctant or lack the ability to impart their knowledge to a trainee (one frequent reason for this being that they look upon the trainee as a threat to their own security).

Analysis of many factors throughout the course of this study has indicated that, if present bank management is to properly develop qualified and informed personnel for the future assumption of executive responsibilities, new approaches must be developed, incorporating all phases of banking and all applicable executive development techniques into a medium through which modern banking theory can be learned and, at the same time, be applied to daily operations. It is with this in mind that the next section has been prepared--a suggested model executive development program which

can be applied by banks of any size (with only slight modifications required). This model method will endeavor to present in a simple manner a systematic application of proven techniques that will assist banks in solving their executive manpower problems.

In conclusion, it must be restated that no executive development program will work (whether it be the model method or any other) if it is not supported by top management and is not conducted in the proper operating atmosphere--an atmosphere in which the trainee is treated as a human being; given the opportunity to participate in a meaningful way; and properly stimulated, encouraged, and permitted to learn and then to apply what he has learned.

## II. A SUGGESTED MODEL EXECUTIVE DEVELOPMENT PROGRAM

General Principles:

1. Only high caliber men and women should be employed. Basic to the success of any executive development program is the selection of personnel with excellent potential. They should be selected from recognized and accredited colleges or are presently employed personnel who have demonstrated that they possess characteristics basic to potential executives. In this selection the demonstrated leadership ability of the employee/graduate is taken into consideration, along with general intellectual capacity and with the social graces evident in his general demeanor. He should, of

course, have a genuine interest in pursuing a banking career and, if a college graduate, have taken many of the business courses pertinent to a banking career. Well-rounded people are needed and required. These are important qualifications and should be considered in every case: education, personality, interest in banking, intelligence, appearance, qualities of leadership, aggressiveness, and maturity. It is suggested that wives of these personnel be invited to visit the bank (or to a luncheon, etc.) so that they might know first-hand something about the bank in which their husbands are interested. At the same time the bank is given the opportunity to gain some insight into the prospect's home situation which can be important to his performance on the job.

2. The program must be flexible. There will always be a variety of individual experience and background as well as differences in ability which will have a bearing on the program to be followed by each individual. The bank's demands also vary with respect to the number of people required, to the time they are needed and to the qualifications that must be developed. The program must be flexible to meet these varying needs. Time schedules, thus, should be used merely as guides, never as rigid requirements. A trainee should never be deprived of vital training which he must have.

3. The program must be challenging. The tempo of the

program should be accelerated as rapidly as the individual can take it. A program that drags, that permits the individual to stay too long on one job or in one department, or that allows trainees to be assigned to extaneous, clerical jobs all over the bank quickly discourages them. A program which has a quick tempo, yet is thorough, holds their interest and results in better learning. Requirements should be demanding, however, because if bank management expects too little, it will never fully develop the potentials of the trainee. Executive trainees should be encouraged to dig, work, study, plan ahead and make the most of their talents. Retarding a bright man encourages mental slothfulness and develops bad habits while judicious pushing of a bright man sharpens his abilities. The net result of such a program is that the good men become better and the inferior are unmasked.

4. All officers and department heads must be tied in. Due to the importance of the executive development program, every officer and department head should be expected to share a keen interest in its success and to shoulder his responsibility to it. Toward this end any officer may be called on to make whatever contributions he is capable of making to the program. The continuous interest and active support of every level of management from the top down must be a permanent responsibility of each individual member of management.

General Outline:

Stage 1 - Orientation

Included in this period are seminars, lectures, discussion periods and tours, all thoroughly planned and properly executed. One of the below topics should be covered each week on a regularly scheduled basis. It is proposed they be repeated quarterly to accomodate new executive trainees. Each trainee should be required to attend every course in the series before completing the training program. Sessions should be formalized, clearly outlined in advance and conducted by senior officers in most cases. Trainees should be provided with an outline of each lecture supplemented with brochures and other materials. This enables the trainee to carry on independent study at night, it speeds up the program, increases retention of the information and further places responsibilities on the shoulders of the trainees. Matters to be covered are:

1. The bank's place in the community
    a. Its corporate image
    b. Its efforts in civic matters, etc.
2. A general discussion of the city and state
3. History of the bank
4. The bank's Board of Directors
5. Employee benefits (especially an intelligent discussion of Profit Sharing Plans, etc.)

6. Earning Assets

   a. Deposit structure and trends

   b. Loans and loan policies

   c. Securities and investment policies

   d. Capital structure and earnings record

7. Operations (including new ventures into automation)

8. Services performed by the bank

9. Commercial divisions

   a. A complete explanation of new business and credit efforts.

   b. Operation of the divisions including the joint effort with branches.

   c. Contact lists and quota system

10. Branches (as applicable)

   a. State branch bank limitations tied in with the particular bank's situation.

   b. Physical tour of all branches

11. Inter-bank relationships

   a. Federal Reserve System

   b. Bank's correspondents

12. Banking laws and regulations

13. Banking terminology and definitions

14. Trust Department

Stage 2 - Bank Wide Rotation

Executive trainees who are expected to enter the fields

of Operations, Trust, Investments, or Consumer Credit are assigned to the Account Administration (sometimes also called Commercial) Department for a period of three months during this phase. The Account Administration Department is not included in this phase of the program insofar as trainees who are being groomed for commercial banking are concerned. Thus Stage 2 lasts for six months for commercial trainees and nine months for all others. The schedule is broken down into three months of training in Operations and three months in other departments including Advertising, Auditing, Consumer Credit, Investment, Special Services and Branches.

1. Operations. Emphasis should be given to this phase of banking. Executive trainees must be thoroughly indoctrinated in the bank's operational procedures. While the trainee is rotating through actual jobs in these departments, the department heads must maintain close supervision and conduct frequent interviews relating to the work. The conference method of appraisal should be employed throughout this and subsequent Stages in the program. Textbooks, manuals and other materials should be given the trainee to study. Trainees should physically operate the various machines, not to become proficient, but to get the feel of the work (they must learn on-the-job detail to accomplish the purpose of training and to understand the broad picture).

A trainee's knowledge of each phase should be thoroughly and realistically tested and graded, with the

grade becoming a matter of permanent record. Where a trainee falls short, he should be required to repeat the phase.

The responsibility for actual training of trainees in the various operating departments is assigned as follows:

Operating functions--officer in overall charge of operations

Accounting functions--officer in charge of accounting

Cashier functions--Cashier

During the period of training in these divisions, the assignment to various departments within his area of authority is made by the individual so designated above. He will devise an outline and general schedule to be followed by the trainee while under his jurisdiction. For overall coordination of the training program in all departments, the Bank Training Officer should make himself available for assistance in the preparation of outlines and schedules.

2. Miscellaneous Departments. Each department head concerned, with help from the Bank Training Officer, should write down the broad scope of his department, its purpose, objectives, and its place in the whole picture, together with the minimum amount of time that a trainee should be expected to remain in the department. This is then given to the trainee to study. He is then "turned loose" and required to master the scope--allowing him as long or as short a period as he requires, within the set minimum limitation. Department managers maintain close contact

with the trainee; test him when he feels he is prepared; and then send him on to the next department. A trainee is thus able to go as fast as he wishes and is able, within reasonable and specific limits (i.e., the bank guides, but the trainee furnishes the responsibility).

Stage 3 - Temporary Assignment to Definite Job Responsibilities

The predominant executive manpower requirements must be met in the large Account Administration (Commercial) Department in order to provide a reservoir of competent personnel available to augment the official staff at any time. Thus, the remaining Stages of the model program will be devoted to only this area of banking. However, those trainees being groomed for the smaller (but equally important) fields of Operations, Trust, Investments, Consumer Credit, etc., should be assigned to specialized training in their field after completing the first two Stages plus their three month assignment in Account Administration. This assignment should be made by the Bank Training Officer on the basis of bank need plus knowledge of the trainee acquired through conference appraisal and other counseling. Training in these fields should follow the same general time guides as will be outlined for Account Administration (but modified by the division head concerned to meet the peculiar needs of his own banking area).

Stage 3 in the Accounting Administration Department

should require approximately three years which might be divided as follows: one year in New Business, one year in Loan Service and one year in Analysis. Successful completion of Stage 3 should be required of all commercial trainees prior to their assignment in a commercial division or a branch office. During his tenure in the Account Administration Department, the trainee should pursue certificates in the A.I.B.; take part in seminars, classes and case studies; and be required to take advantage of other educational opportunities afforded him.

1. New Business. During the year he spends in this division, the trainee should gain a great deal of information with respect to new business activities, accounts and prospects, and new business systems and procedures. He must work closely with divisional and branch officers as well as with all departments of the bank. This is an excellent opportunity to assign special projects and/or committee assignments for training, in addition to regular duties, thus permitting creative expression yet requiring trainees to plan, organize and schedule their time.

2. Loan Service. During this year the trainee should be expected to learn loan servicing problems and the method of handling details of special loans such as Accounts Receivables, Inventory, Insurance, and Construction. He should also learn how to make credit investigations and become proficient in writing credit letters.

3. Analysis. By the time the trainee reaches this section he should have the necessary background to render a valuable service to the bank and superior performance should be demanded of him. During this year he should perform analyses for lending officers. The trainee should be required to evaluate new credits, or established credits which have become problems, etc.; analyze the figures; prepare his notes; and then discuss his work with the lending officer. This affords the trainee opportunities for independent thought and creative analysis and at the same time broadens him by correlating his views with those of the credit officer. By rotating through various lending officers, the trainee is thus able to "pick" the best from each.

Stage 4 - Additional Operations Training

After completing the first three training Stages, commercial executive trainees will be assigned to an Account Administration (Commercial) division or branch. Prior to such assignment and due to their present level of experience, it is believed the trainees should be better grounded in operational problems and procedures in order that they can represent the bank more effectively. Thus they should complete from three to six months of detailed training in the Operations Division at this time. This will be a much more intensive look into bank operations than was done during Stage 2.

Stage 5 - Continued Education and Training after Permanent Assignment.

This stage is an essential follow-up to the basic program. Responsibility and authority can and should be increased buteach "graduate" of the basic program should be expected to continue his education and training both inside and outside the bank. The primary means of continued education is by working with seasoned officers under the direction of division heads. In addition, periodic seminars, committee meetings, study courses, and other training sessions should be conducted. Outside the bank facilities such as banking schools, graduate schools, and the American Institute of Banking should be fully utilized during this Stage. "Graduates" should be considered to be in training (for record purposes) until they are promoted to Vice-President.

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# APPENDIX

APPENDIX A

EXECUTIVE DEVELOPMENT QUESTIONNAIRE
(as sent to various banking institutions)

Director, Executive Development Program

Dear Sir:

My colleague and I are graduate students in the Business Administration and Economics Department of the U.S. Naval Postgraduate School, Monterey, California and candidates for an advanced degree in Management this summer.

We are conducting a research study on Executive Development in American Banking Institutions. In essence, the ultimate results will be a comparative analysis of the role of executive development programs in a large number of banking organizations. We are confident that an analysis of this nature will be of great value to your organization, particularly, to enhance your own program.

Therefore, we have a two-fold request to make of you, and we would greatly appreciate your assistance to complete our study. First, we would like to have forwarded any reference material regarding your management training and/or executive development programs. Our primary interest lies in the methods of recruiting, selecting, and training potential executive personnel. Secondly, we have enclosed a questionnaire for your completion, which we sincerely hope is sufficiently comprehensive to limit any need for additional written material from you and at the same time gives you an insight into the type of information we require in our research. Of course, any additional comments from your organization would enhance our study.

Thank you for your attention to this matter.

Very truly yours,

Enclosure:
As stated above

EXECUTIVE DEVELOPMENT

Please answer the following survey regarding your Executive Development Program:

1. How long have you had a recognized and established plan for developing personnel for management positions? ________ years.

2. Who established your initial program? ___ outside consultant; ____ in-house design; ____ other (please specify).

3. What executive position carries direct responsibilities for the executive development program?

4. Check any of the following "techniques" used in your program:

_____ job experience
_____ training by outside consultants
_____ job rotation, planned transfers
_____ understudy or 'assistant to' positions for training
_____ special 'trainee' positions
_____ in-company training classes
_____ 'multiple management' plans
_____ 'coaching' by immediate superior
_____ individual counseling
_____ committee assignments for training purposes
_____ management courses in colleges and universities
_____ other outside company courses: ___________________
_____ regular attendance at conference meetings at company expense

(*) please place an additional check by those techniques listed above which are 'much used' and an added check for those which have 'predominate use'. (some used - single check; much used - double check; predominately used - three checks).

5. Do you consider graduates from present management schools/colleges to be adequately prepared to start off in executive positions? _____ Yes _____ No

If your answer is no, then after approximately how many years of development are they considered to be ready?

6. Briefly, what do you consider to be the attributes of a well-developed executive?

7. Check any of the methods of instruction used in your regular management development activities:

- _____ outside reading and private study: assigned/ optional (circle)
- _____ lectures and talks by outside speakers
- _____ group discussions or 'conference' method
- _____ case studies
- _____ role-playing; sociodrama
- _____ 'buzz' sessions - small group discussions
- _____ panels
- _____ forums
- _____ workshops
- _____ films, slides, etc.
- _____ other (please specify)

(*) please place an additional check by those techniques listed above which are 'much used' and an added check for those which have 'predominate use'. (some used - single check; much used - double check; predominately used - three checks).

8. We would be interested in any other comments you might care to make about your executive development system or about management education in general. Particularly, we would appreciate a frank statement as to why you give the attention you do to the development of management, whether you are satisfied with the results achieved; whether you plan to change or enhance your program; what topics you think executives and potential executives should be given special training in, etc. Please use the balance of this sheet and the back for your remarks.

(Please note that any statement made will <u>not</u> be associated with you or your organization in our writings. All questionnaires received will be held in strict confidence).

9. Name and position of person completing this questionnaire.